

Senate Bill No. 204

Passed the Senate August 29, 2006

Secretary of the Senate

Passed the Assembly August 24, 2006

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2006, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 25205 of the Public Resources Code, and to amend Section 303 of the Public Utilities Code, relating to commission memberships.

LEGISLATIVE COUNSEL'S DIGEST

SB 204, Bowen. Public Utilities Commission: State Energy Resources Conservation and Development Commission: commission memberships.

(1) The existing Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission (Energy Commission), with various duties and responsibilities with respect to energy policy and planning. Existing law prohibits any person from being a member of the Energy Commission who, during the 2 years prior to appointment, received any substantial portion of his or her income directly or indirectly from any electric utility, as defined, or who engages in the sale or manufacture of any major component of any facility, as defined. Existing law prohibits a member of the Energy Commission from being employed by any electric utility, applicant, as defined, or from being employed within 2 years after he or she ceases to be a member of the Energy Commission, by any person engaged in the sale or manufacture of any major component of any facility. Existing law makes the violation of these provisions a felony subject to fine and imprisonment, or both.

This bill would prohibit any person from being a member of the Energy Commission who, during the 2 years prior to appointment, received any substantial portion of his or her income directly or indirectly from any person or corporation subject to regulation by the Energy Commission, or who engages in the sale or manufacture of any major component of any facility. The bill would prohibit a member of the Energy Commission from being employed by any person or corporation subject to regulation by the Energy Commission, including an applicant, or within 2 years after he or she ceases to be a member of the Energy Commission, by any person engaged in the sale or

manufacture of any major component of any facility. Because a violation of the bill's provisions would be a crime, this bill would impose a state-mandated local program by expanding the definition of an existing crime.

(2) Existing law prohibits members of the California Public Utilities Commission (CPUC) from holding an official relation to, or having a financial interest in, a person or corporation subject to regulation by the CPUC. Existing law provides that if a member of the CPUC acquires a financial interest in a corporation or person subject to regulation by the CPUC other than voluntarily, his or her office becomes vacant unless within a reasonable time he or she divests the financial interest. Existing law requires the CPUC, by February 28, 1998, to adopt an updated Conflict of Interest Code and Statement of Incompatible Activities.

This bill would provide that if a member of the CPUC acquires or maintains a financial interest in a person or corporation and knows or should know the person or corporation is subject to regulation by the CPUC, his or her office would immediately become vacant. The bill would provide that if a member of the CPUC involuntarily acquires or maintains a financial interest in a person or corporation subject to regulation by the CPUC, his or her office would become vacant unless within a reasonable time he or she divests the financial interest. The bill would require the CPUC, by June 1, 2007, to adopt an updated Conflict of Interest Code and Statement of Incompatible Activities.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 25205 of the Public Resources Code is amended to read:

25205. (a) No person shall be a member of the commission who, during the two years prior to appointment to the commission, received any substantial portion of his or her

income directly or indirectly from any person or corporation subject to regulation by the commission, or who engages the sale or manufacture of any major component of any facility. No member of the commission shall be employed by any person or corporation subject to regulation by the commission, including an applicant, or, within two years after he or she ceases to be a member of the commission, by any person who engages in the sale or manufacture of any major component of any facility.

(b) Except as provided in Section 25202, the members of the commission shall not hold any other elected or appointed public office or position.

(c) The members of the commission and all employees of the commission shall comply with all applicable provisions of Section 19990 of the Government Code.

(d) No person who is a member or employee of the commission shall participate personally and substantially as a member or employee of the commission, in any matter in which, to his or her knowledge, he or she, his or her spouse, minor child, or partner, or any organization, except a governmental agency or educational or research institution qualifying as a nonprofit organization under state or federal income tax law, in which he or she is serving, or has served as an officer, director, trustee, partner, or employee while serving as a member or employee of the commission or within two years prior to his or her appointment as a member of the commission, has a direct or indirect financial interest.

(e) No person who is a partner, employer, or employee of a member or employee of the commission shall act as an attorney, agent, or employee for any person other than the state in connection with any matter in which the commission is a party or has a direct and substantial interest.

(f) The provisions of this section shall not apply if the Attorney General finds that the interest of the member or employee of the commission is not so substantial as to be deemed likely to affect the integrity of the services which the state may expect from such the member or employee.

(g) Any person who violates any provision of this section is guilty of a felony and shall be subject to a fine of not more than ten thousand dollars (\$10,000) or imprisonment in the state prison, or both.

SEC. 2 Section 303 of the Public Utilities Code is amended to read:

303. (a) A public utilities commissioner may not hold an official relation to nor have a financial interest in a person or corporation subject to regulation by the commission. If any commissioner acquires or maintains a financial interest in a person or corporation that the commissioner knows or should know is subject to regulation by the commission, his or her office shall immediately become vacant. If any commissioner involuntarily acquires or maintains a financial interest in a person or corporation subject to regulation by the commission, his or her office shall become vacant unless within a reasonable time he or she divests himself or herself of the interest.

(b) The commission shall adopt an updated Conflict of Interest Code and Statement of Incompatible Activities, by June 1, 2007, in a manner consistent with applicable law.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2006

Governor